

Amendment to the Water Pollution Control State Revolving Fund Intended Use Plan and Project Priority List

State Fiscal Year 2023

Updated: 5/31/2023

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Water Quality Division

Water Pollution Control State Revolving Fund

1520 East Sixth Avenue

PO Box 200901

Helena MT 59620-0901

Phone: (406) 444-6697

Fax: (406) 444-6836

Website: www.deq.mt.gov



Printed on Recycled Paper

MONTANA
WATER POLLUTION CONTROL STATE REVOLVING FUND
SFY23 INTENDED USE PLAN

WPCSRF BIL Emerging Contaminants Funding

The *primary* purpose of the Intended Use Plan (IUP) is to identify the proposed annual intended uses of the federal and state funds available to the Montana Water Pollution Control State Revolving Fund (WPCSRF) program. Federal dollars appropriated in one year are available for use in the next year (i.e., the FFY22 appropriation is available in FFY23). On November 15, 2021, the Bipartisan Infrastructure Law (BIL) was signed into law. The BIL reauthorized the WPCSRF program for federal fiscal years 2022 through 2026 with funding levels set through the annual appropriations process. With the enactment of BIL, starting in FFY22 Montana's WPCSRF program will receive an emerging contaminants (EC) capitalization grant. The EC funds are to be used to help communities address emerging contaminants that include substances or microorganisms which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment. These funds are to be provided as entirely forgivable loans and do not require State match. Montana's WPCSRF federal EC grant for federal fiscal year 2022 is \$459,000. The CWSRF program has been unable to identify any projects that can utilize the CWSRF EC capitalization grant allotted to Montana in FFY22. The Montana WPCSRF program proposes to transfer these funds to the Montana DWSRF program's Emerging Contaminant Fund which has identified several projects that address emerging contaminants and can utilize both the WPCSRF EC capitalization grant and the DW EC capitalization grant. Per SRF statute and regulation, states have the flexibility to transfer funds between the CWSRF and DWSRF. Information regarding transferring funds can be found in the March 8, 2022, memorandum entitled *Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law*. The statutory ceiling of funds available to transfer is 33% of the DWSRF Emerging Contaminant allotment. In FY 2022, the DWSRF allotment is \$7,555,000 and 33% of the allotment equals \$2,493,150; thus allowing 100% of the CWSRF Emerging Contaminant allotment (equal to \$459,000) to be transferred to the DWSRF Emerging Contaminant Program."

For SFY 2023, Montana has elected to transfer all WPCSRF FFY 2022 EC grant funds (\$459,000) to the DWSRF program. **Table 1** summarizes transfers to date, and funds still available for transfer for the EC grant.

Table 1. Amounts Available to Transfer between SRF Programs for the EC Grant

Year	Transaction Description	Banked Transfer Ceiling	Transferred from WPCSRF to DWSRF	Transferred from DWSRF to WPCSRF	DWSRF Funds Available for Transfer	WPCSRF Funds Available for Transfer
2022	DW Grant Award	\$2,493,150	\$459,000	---	\$2,952,150	\$2,034,150
Total			\$459,000	\$0		

This amended IUP will be presented at a public meeting to allow an opportunity for public comment on the transfer of CWSRF program's EC funds to the DWSRF program's EC fund. Total EC funds available for drinking water projects after the transfer is complete are:

DWSRF \$7,555,000

CWSRF \$ 459,000

Total: \$8,014,000

The proposed list of projects that will receive DWSRF emerging contaminants funds from the FFY22 EC capitalization grants is included as Attachment I.

Public Review and Comment – One public meeting was held on June 14, 2023, in Helena to discuss the Amendment to the SFY23 Water Pollution Control State Revolving Fund Intended Use Plan and Project Priority List and to allow public comment on the draft IUP amendment. Public notice concerning the PPL and IUP was posted in major newspapers across the state, and the notice and draft IUP amendment was published on DEQ's website. There was a 30-day public comment period for the public to review and comment on the draft IUP. That comment period ended June 30, 2023.

ATTACHMENT I

**Projects to be funded by FFY22 DWSRF and CWSRF
Emerging Contaminants Capitalization Grants**

Roundup	EC addressed: manganese Project: Install a well for the Central Montana Regional Water Authority (CMRWA) Musselshell Judith Rural Water System as part of the terms of connecting to the Regional System and abandoning high manganese sources in the City. Population: 1,742	\$3,000,000
Circle	EC addressed: sodium and sulfate Project: Improvements to waste stream of treatment process used to remove high sodium and other TDS from the raw water. Population: 591	\$5,383,000
TOTAL		\$8,383,000